

Lanesboro Public Utilities
Council Chambers
September 23rd, 2014, 6:00 p.m.

Commissioners Present: Gerald Evenson, Chair
Theresa Coleman, Dennis Schuck

Absent: None

Staff Present: Jim Peterson and Jerod Wagner

Visitors: Mike Davy

Commissioner Evenson called the meeting to order at 6:00 p.m. Commissioner Coleman moved to adopt the agenda with the addition of Fishbaugher utility account and Charlebois request for information to be discussed under miscellaneous. Motion was seconded by Commissioner Schuck. Motion carried.

Commissioner Coleman moved to approve the minutes of the August 28th, 2014 meetings. Motion was seconded by Commissioner Schuck. Motion carried.

New Business

A. Davy Engineering-Well Drilling Update

Mike Davy advised the Commission that the final phase of the well was nearing completion. He stated that the 24 hour flow test looked good and that all that remained was to clean and tap it and they would be done.

B. Davy Engineering-WTP Bid Opening

Davy Engineering in conjunction with the City of Lanesboro received and opened all bids submitted for the WTP at 2:00 p.m. on September 23rd, 2014. There were two bidders total for proposal 3 of the project; TJ's Trucking and Excavating and Winona Mechanical for general mechanical construction of the PRV stations (4 total PRV sites). Davy Engineers tabulated all bids and will recommend awards later in the meeting.

Regular Business

A. Payables

Commissioner Coleman moved to pay expenses of the Lanesboro Public Utilities. Motion seconded by Commissioner Schuck. Motion carried.

B. Review Bids on Proposal #3 Water Treatment Facility Project

Mike Davy of Davy Engineering brought forth bid tabulations from the bids submitted at 2:00 p.m. on September 23rd, 2014. There were two bids submitted; one from TJ's Trucking and Excavating and one from Winona Mechanical, both from Winona, Minnesota. The recommendation from Mike Davy was for the low bidder, Winona Mechanical in the amount of \$219,000.00. The bid was for four PRV stations for construction and mechanical work. The breakdown is as follows: Pumphouse #1 PRV = \$55,000.00, Auburn St. PRV = \$68,000.00, Golf Course PRV = \$49,000.00 and the Elmwood PRV = \$47,000.00 for a total base bid of \$219,000.00. Motion was made by Commissioner Coleman to accept the bid from Winona Mechanical of \$219,000.00 for the general-mechanical construction of the PRV stations based upon the recommendation of Davy Engineering. Motion was seconded by Commissioner Evenson. Motion carried all in favor.

C. Review Water Project Financing and Estimated Rate Impacts

Mike Davy presented the Commission with an overview of financing and rate impacts for the Water Treatment Project. Davy indicated that the financing would be broken up into two parts; part one to be financed in 2014 and part two to be financed in 2015. The rationale behind breaking up the financing into two parts would allow the City of Lanesboro to qualify for additional principal forgiveness and low interest financing of 1%. Davy indicated that PFA was willing to match the phase one financing principal forgiveness in phase two, which would essentially lower the phase two projects costs from +/- \$750,000.00 to around +/- \$200,000.00. Davy indicated that in order for PFA to move forward with the financing, the City and PUC needs to approve the new REU rate structure. Motion was made by Commissioner Coleman to approve the REU rate structure with the initial base rate not to exceed \$24.00 with reviews every other year to adjust water usage REUs accordingly; with volumetric rates set at \$.0063 per gallon used, starting January 1st, 2015. Motion was seconded by Commissioner Evenson. Motion carried all in favor.

D. Tentative Award of Contract (Subject to Completion of PFA Financing)

Mike Davy indicated that the award of the contracts is subject to the completion of PFA financing. He indicated that the contracts could not be signed until financing was complete but the PUC should recommend to the City Council to award the contracts presented and have them approved and ready to go when PFA completes the final paperwork for financing. Motion was made by Commissioner Coleman to recommend to the City Council to approve the bids and contracts subject to City Council approval. Motion was seconded by Commissioner Evenson. Motion carried all in favor.

E. Preliminary PUC Budget-2015 (Feedback)

Administrator Todd advised the PUC that with the new REU rate structure, the budget would be nearing completion. He asked the Commission if they had any feedback regarding the 2015 budget. The Commission stated that they did not have any feedback at this time. They indicated that after the revenue portion is complete they would look at the document and provide feedback, if any.

F. Charles Happel-Waiver of \$49.48 Sewer Charges (Watering Trees)

Administrator Todd advised the PUC that a request was submitted to the City Office from Charles Happel. Mr. Happel wished to have his sewer charge of \$49.48 waived because he stated that he was watering trees and that there is no way to determine what portion of water went into the sewer. Todd stated that he would place this issue before the Commission for consideration. The Commission advised that they would not grant the waiver but that Mr. Happel would be more than welcome to attend a meeting of the PUC to air any grievance.

G. Solar Lights-Bass Pond/Walking Bridge (Theresa)

Commissioner Coleman advised the PUC that she would like them to consider placing solar lights along the Bass Pond/Walking Bridge area to assist the public in locating the path and to highlight the work that the Arts Center has done to create an artful way-finding system. She indicated that perhaps the solar lights could be tied into the photovoltaic system that Jerod Wagner had been working on. The Commission indicated that no action would be taken at this meeting but that Theresa could, perhaps, converse with Jerod and see how this could integrate with the PV system.

H. PUC Contribution Towards Kiosk near Power Plant (Theresa)

Commissioner Coleman was seeking PUC approval for contributions towards the new kiosk that was built in the Bass Pond near the power plant. She indicated that the contribution would be for upkeep and maintenance. The PUC stated that the Arts Center should present to the PUC regarding this request. No action taken at this time.

I. Miscellaneous

Administrator Todd advised the PUC that he was approached by Kate O'Neary regarding a light nuisance on Kenilworth, towards Church Hill. She indicated that the street lights are too bright and that something needs to be done about it because it is offensive and a nuisance to her. She indicated that the nuisance affects her at her residence on the corner of Coffee Street and Fillmore Street. She further indicated that there is another light nuisance at her friend's house (John Levell) and that the PUC has never once done anything about it. I advised the PUC that I told her that Mr. Levell should present his complaint in person as she really didn't have standing to determine whether or not a light at his property is a nuisance. I did advise her that I would take her complaint to the PUC and they could look into the issue. The PUC indicated that they did not believe that the location of the light in question had any impact on her property from that distance. No action taken at this time.

Next Meeting: Monday, October 20th, 2014 at 1:00 p.m.

Adjourn Regular Meeting:

Motion was made by Commissioner Coleman to adjourn the regular meeting of the PUC. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

Respectfully Submitted:

David Todd
City Administrator